

Term Loan

THIS LOAN AGREEMENT dated as of the 18th day of December, 2017, between Niagara Central Airport Commission (the "Borrower") and The Corporation of the Town of Pelham (the "Lender").

The Borrower wishes to borrow from the Lender and the Lender has agreed to lend to the Borrower the sum of Forty-five thousand dollars (\$45,000.00) for the purpose of financing capital projects (the "Purpose").

NOW THEREFORE the parties agree as follows:

1. The Credit

(1) The Lender shall, on the terms and conditions of this agreement, lend to the Borrower the principal sum of \$45,000.00 as a term loan (the "Credit").

(2) The Credit is made available by the Lender to the Borrower to enable the Borrower to carry out the Purpose and the Borrower shall use all proceeds advanced under the Credit for the Purpose and for no other purpose.

2. Repayment of the Credit

(1) The Credit shall bear interest at the rate of three and one-half percent (3.50%) per annum repayable in annual payments of \$5,410.86 principal and interest due on June 15 in each year with the first payment commencing as of June 15, 2018. The amortization period shall be ten (10) years with the Credit coming due and payable in full ten (10) years after the date of the advance of the Credit.

(2) The Credit shall be evidenced by a promissory note(s) of the Borrower (collectively, the "Promissory Note").

(3) The Borrower shall have the privilege, when not in default in any of its obligations contained in this agreement, without notice, premium or penalty, of prepaying all or any part of the moneys advanced pursuant to the Credit. Any prepayment of a part only of the advances then outstanding and unpaid shall be applied to the balance of the instalments referred to in paragraph 2 (1) of this agreement in the reverse order of maturity.

3. Conditions Precedent

The Borrower acknowledges that the Lender shall not be called on to make any advance under the Credit until the following conditions precedent have been fulfilled:

(1) No event of default, as set out in paragraph 8 of this agreement, shall have occurred and be continuing.

(2) The Borrower shall have delivered to the Lender in forms satisfactory to the Lender the security set forth in paragraph 4 of this agreement.

4. The Security

As a continuing collateral security for the payment of all advances made under the Credit and interest and all other moneys payable pursuant to this agreement the Borrower shall deliver to the Lender the Promissory Note.

5. Representations and Warranties of the Borrower

The Borrower represents and warrants to the Lender that:

(1) The Borrower is a corporation legally incorporated, duly organized and validly existing, in good standing under the laws of the jurisdiction of its incorporation and is qualified to carry on its business in all jurisdictions where the nature of its business or the character of its properties make such qualification necessary.

(2) The borrowing of money by the Borrower and the execution, delivery and performance of this agreement and the security set forth in paragraph 4 of this agreement are within the corporate powers and capacities of the Borrower and have been duly authorized by proper corporate proceedings.

(3) There are no actions, suits or proceedings pending or to the knowledge of the Borrower threatened against or adversely affecting the Borrower in any court or before or by any federal, provincial, municipal or other governmental department, commission, board, bureau or agency, Canadian or foreign which might materially affect the financial condition of the Borrower or the title to the Borrower's property or assets.

(4) The execution and delivery of this agreement, the consummation of the transactions contemplated by this agreement, the execution and delivery to the Lender of the security set forth in paragraph 4 of this agreement, and the compliance with the covenants, terms, provisions and conditions of this agreement will not conflict with or result in a breach of any of the terms or provisions of any laws of Canada, or the Province of Ontario, governing the Borrower, or any agreement or instrument to which the Borrower is now a party or which purports to be binding on the Borrower or its property and assets.

(5) This agreement and all other deeds, documents or instruments to be delivered pursuant to this agreement will, when executed and delivered, constitute valid and binding obligations of the Borrower enforceable against it in accordance with their respective terms, except as may be limited by other deeds, documents or instruments delivered pursuant to this agreement, or by applicable bankruptcy, reorganization, insolvency, moratorium and other laws affecting the enforcement of creditors' rights.

(6) The borrowing of money under this agreement and the execution and delivery of this agreement do not require the consent or approval of, or registration of any other party.

(7) The Borrower has good and marketable title to all its property and assets free and clear of any mortgage, charge, pledge, lien or other encumbrance.

6. Affirmative Covenants

The Borrower covenants with the Lender that so long as any amounts advanced under the Credit together with interest remain outstanding:

(1) It will duly and punctually pay to the Lender, the principal, accrued interest and all other moneys payable on the dates, at the place, in the moneys and in the manner mentioned in this agreement.

(2) It will pay or reimburse the Lender for all costs, charges and expenses (including legal fees) of or incurred by the Lender in connection with the recovery or enforcement of payment of moneys advanced under the Credit, together with interest at the rate set out in paragraph 2(1) of this agreement.

(3) It will do all acts that are necessary to maintain the Borrower's existence under the laws of the jurisdiction of its incorporation and will obtain, renew and maintain in full force and effect all authorizations, approvals, consents, licences, permits and exceptions as may be required to enable it to observe and perform the obligations on its part to be performed under this agreement and all agreements and security delivered in connection with or incidental to this agreement.

(4) It will give the Lender written notice of any event of default immediately on the occurrence of such an event.

(5) It will give the Lender written notice of the occurrence of any material litigation, proceeding or dispute affecting the Borrower and will provide to the Lender all reasonable information requested by the Lender concerning the status of the litigation, proceeding or dispute.

7. Negative Covenants

The Borrower covenants with the Lender that it will not, without the prior written consent of the Lender:

(1) Lend money to, invest in, or become contingently liable by guarantee or otherwise for the obligations of, any person, firm or body corporate.

(2) Consolidate, amalgamate or merge with any other corporation or acquire the shares or assets of any corporation, firm or partnership, or sell, lease or transfer or otherwise dispose of all or

a substantial part of its assets.

(3) Enter into or be a party to any contract for the purchase of materials, supplies or other property if the contract requires that payments for those materials, supplies or other property shall be made regardless of whether or not delivery is ever made of the materials, supplies or other property.

(4) Change the general nature of the business of the Borrower.

8. Events of Default

The principal advanced under the Credit and all interest payable together with all of the moneys payable pursuant to this agreement shall, at the option of the Lender, become immediately due and payable and any security held by the Lender for the payment thereof shall, at the option of the Lender, become immediately enforceable in each and every of the following events:

(1) If the Borrower makes default in the repayment of any instalment of principal or interest under the Credit when it becomes due and payable, including default in payment pursuant to the Promissory Note.

(2) If the Borrower fails to perform or observe any of the covenants contained in this agreement or in any of the security delivered pursuant to this agreement and any failure shall not be remedied within fifteen days following notice being given to the Borrower.

(3) If any representation, warranty, certificate, statement or report made in connection with this agreement or in connection with advances under the Credit is false or erroneous in any material respect.

(4) If any indebtedness of the Borrower for liabilities other than to the Lender becomes due prior to the stated maturity date, unless and to the extent that the same shall be contested in good faith and by appropriate proceedings by the Borrower.

(5) If the Borrower becomes insolvent or bankrupt or subject to the provisions of the *Winding-Up Act*, R.S.C. 1985, c. W-11, as amended or the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, or goes into liquidation, either voluntarily or under an order of a court of competent jurisdiction, or makes a general assignment for the benefit of its creditors or otherwise acknowledges itself insolvent.

(6) If the Borrower removes any part of its undertaking and property and assets out of the Province of Ontario, other than inventory in the process of shipping to customers, or located at or on customers' premises.

(7) If the Borrower abandons all or any part of its undertaking and property and assets or ceases or threatens to cease to carry on its business, or threatens to commit any act of bankruptcy.

(8) If any execution, sequestration, extent, or any other process of any court becomes enforceable against the Borrower or if a distress or analogous process is levied on the property and assets of the Borrower and the execution, sequestration, extent, distress or process, remains unsatisfied for a period as would permit the property or a part of it to be sold.

(9) If the Lender in good faith believes that the ability of the Borrower to pay any of its obligations to the Lender or to perform any of the covenants contained in this agreement is impaired or the security referred to in this agreement is impaired or is in jeopardy.

9. General

(1) The Borrower covenants that it will execute or cause to be made, done or executed, all further and lawful acts, deeds, things, devices, conveyances and assurances whatsoever for effecting the purposes and intent of this agreement as counsel for the Lender shall reasonably advise or request.

(2) Any notice or other writing required or permitted to be given under this agreement or for the purposes hereof (referred to in this paragraph as a notice) to any party shall be sufficiently given if delivered personally, or if sent by prepaid registered mail or if transmitted by fax or other form of recorded communication tested prior to transmission to such party:

- (a) As to the Borrower:
Niagara Central Airport Commission
P.O. Box 234
Welland, Ontario
L3B 5P4
- (b) As to the Lender:
The Corporation of the Town of Pelham
20 Pelham Town Square, P.O. Box 400
Fonthill, Ontario
L0S 1E0

or at such other address as the party to whom such writing is to be given shall have last notified the party giving the same in the manner provided in this paragraph. Any notice delivered to the party to whom it is addressed as provided in this paragraph shall be deemed to have been given and received on the day it is so delivered at such address, provided that if such day is not a business day then the notice shall be deemed to have been given and received on the business day next following such day. Any notice mailed as aforesaid shall be deemed to have been given and received on the fifth business day next following the date of its mailing. Any notice transmitted by fax or other form of recorded communication shall be deemed given and received on the first business day after its transmission. For the purpose of this agreement "business day" shall mean a day other than Saturday or Sunday or a statutory holiday.

(4) This agreement and all other agreements to be delivered in connection with this

agreement shall be governed by and construed in accordance with the applicable laws of the Province of Ontario and of Canada.

(5) This agreement shall be binding on and enure to the benefit of the Borrower and the Lender and their respective successors and assigns, except that the Borrower shall not, without the prior written consent of the Lender, assign any rights or obligations with respect to this agreement. The Lender may transfer, assign or grant participation in its rights and obligations with respect to this agreement or any other agreement contemplated to any lending institution which it considers to be financially responsible, provided that any transfer, assignment or grant shall neither result in any additional cost to the Lender nor, without the consent of the Borrower, release the Lender from its obligations under this agreement.

(6) Any provision of this agreement which is or becomes prohibited or unenforceable in any jurisdiction shall not invalidate or impair the remaining provisions of this agreement which shall be deemed severable from the prohibited or unenforceable provision and any prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable that provision in any other jurisdiction.

(7) No amendment supplement or waiver of any provision of this agreement or any other agreements provided for or contemplated, nor any consent to any departure by the Borrower, shall in any event be effective unless it shall be in writing and signed by the Lender and then the waiver or consent shall be effective only in the specific instance for the specific purpose for which it has been given.

(8) No waiver or act or omission of the Lender shall extend to or be taken in any manner whatsoever to affect any subsequent event of default or breach by the Borrower of any provision of this agreement or the results or the rights resulting from it.

(9) Time shall be of the essence of this agreement.

(10) This agreement shall remain in full force and effect until the payment and performance in full of all of the Borrower's obligations under this agreement.


(11) The Borrower acknowledges receiving a copy of this agreement.

(12) This agreement constitutes the entire agreement among the parties and cancels and supersedes any prior agreements, undertakings, declarations or representations, written or verbal in respect of it.

IN WITNESS WHEREOF the parties have caused this agreement to be executed by their respective officers duly authorized.

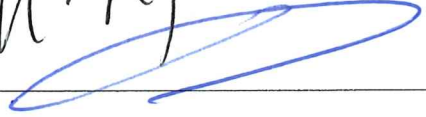
THE CORPORATION OF THE TOWN OF
PELHAM

PER: 

PER: 

NIAGARA CENTRAL AIRPORT COMMISSION

PER: 

PER: 

Amortization Schedule
Town of Pelham
2017 Loan to Airport for Capital Projects

Loan Date	5/4/2017
Maturity Date	6/15/2027
Principal	45,000.00
Interest Rate	3.50%
Payment Frequency	Annual
Term (Years)	10

Date	Total Payment	Interest Payment	Principal Payment	Principal Balance
5/4/2017				45,000.00
6/15/2018	5,410.86	1,575.00	3,835.86	41,164.14
6/15/2019	5,410.86	1,440.74	3,970.12	37,194.02
6/15/2020	5,410.86	1,301.79	4,109.07	33,084.95
6/15/2021	5,410.86	1,157.97	4,252.89	28,832.06
6/15/2022	5,410.86	1,009.12	4,401.74	24,430.32
6/15/2023	5,410.86	855.06	4,555.80	19,874.52
6/15/2024	5,410.86	695.61	4,715.25	15,159.27
6/15/2025	5,410.86	530.57	4,880.29	10,278.98
6/15/2026	5,410.86	359.76	5,051.10	5,227.89
6/15/2027	5,410.86	182.98	5,227.89	-
Total	54,108.62	9,108.62	45,000.00	

PROMISSORY NOTE

AMOUNT: \$45,000.00 DUE: June 15, 2027 INTEREST: 3.50% per annum

FOR VALUE RECEIVED, Niagara Central Airport Commission (the "Borrower") promises to pay to **The Corporation of the Town of Pelham** (the "Lender") the sum of **FORTY FIVE THOUSAND DOLLARS (\$45,000.00)** of the lawful money of Canada, together with interest at the rate of 3.50% per annum, repayable in annual installments of **\$5,410.86** due on the 15th day of June in each year in accordance with the Amortization Schedule attached to as Schedule "A" to this Promissory Note.

This Promissory Note shall be completely open for early repayment, in that the undersigned shall be entitled at any time to make prepayment in whole, or in part, at any time without notice, bonus or penalty.

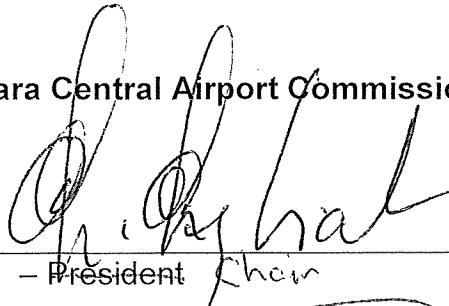
Upon default of any payment when due hereunder, that has not been remedied within thirty (30) days of written notice thereof being delivered to the Borrower, the entire unpaid balance of the principal amount and accrued interest shall become immediately due and payable without notice or demand and the undersigned covenants to pay interest thereon and on subsequent overdue interest at the rate aforesaid both before and after judgment, until paid in full. The covenants to pay interest shall not merge on the taking of a judgment or judgments with respect to any of the obligations herein stipulated for.

The Borrower hereby waives demand and presentment for payment, notice of non-payment, protest, notice of protest, notice of dishonour, bringing of suit and diligence in taking action.

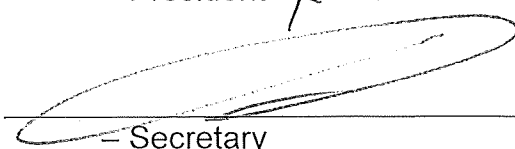
The covenant to pay interest shall not merge on the taking of a judgment with respect to any of the obligations herein stipulated for.

Dated at the Town of Pelham this day of January, 2018

Niagara Central Airport Commission
Per:



— President *Chen*



— Secretary

We have authority to bind the Commission.